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Corporate governance report and declaration on corporate governance

pursuant to Art. 315d in conjunction with Art. 289f of the German Commercial Code (HGB)

Commerzbank has always attached great importance to corporate governance, in the sense of responsible and transparent management and control aimed at sustainable value creation. That is why we – the Board of Managing Directors and the Supervisory Board – expressly support the German Corporate Governance Code and the goals and objectives it pursues.

In accordance with section 3.10 of the German Corporate Governance Code, we report below on corporate governance as practised at Commerzbank AG. This report also includes the declaration on corporate governance pursuant to Art. 315d in conjunction with Art. 289f of the German Commercial Code (HGB).

Recommendations of the German Corporate Governance Code

Commerzbank AG and its subsidiaries that are required by law to do so declare every year whether the recommendations of the Commission regarding conduct have been and are being complied with, and explain which individual recommendations are not being implemented and the reasons why. These declarations of compliance by the Board of Managing Directors and Supervisory Board are published on the websites of the individual companies; Commerzbank AG's declarations can be found at <https://www.commerzbank.com>. There is also an archive of all the declarations of compliance made since 2002. The latest declaration was made in November 2017.

Commerzbank AG complies with virtually all of the recommendations of the German Corporate Governance Code; it deviates from them in only a few points:

- Section 4.2.1 of the Code recommends that rules of procedure should regulate the activities of the Board of Managing Directors, including the allocation of responsibilities to its members. The Board of Managing Directors has adopted rules of procedure with the approval of the Supervisory Board. However, the Board of Managing Directors determines the allocation of duties among the individual Board members itself, outside the purview of the rules of procedure. This provides it with the requisite flexibility if changes are needed, thus ensuring an ef-

ficient division of responsibilities within the Board of Managing Directors. The Supervisory Board is informed of all changes, and is thus included in the process. The rules of procedure for the Board of Managing Directors and the specific responsibilities of the various members of the Board of Managing Directors are published on Commerzbank AG's website at <https://www.commerzbank.com>.

- According to section 4.2.3 (2) sentence 6 of the Code, the total remuneration of the members of the Board of Managing Directors and the upper limits on their variable remuneration components should be disclosed. The core elements of the Bank's remuneration system are a fixed basic annual salary plus variable remuneration with a uniform target amount. In respect of variable remuneration, the Supervisory Board after the end of a financial year calculates a total goal achievement amount based on predefined goals. This total goal achievement amount is capped at 1.4x fixed remuneration as calculated under the Remuneration Ordinance for Institutions. Up to 50% of this amount is paid in virtual Commerzbank shares, in respect of most of which a five-year retention period and a waiting period of a further 12 months normally apply. At the end of the waiting period, the value of the virtual Commerzbank shares is paid out in cash, subject to various checks to ensure sustainability. Changes in the share price over this period do not affect the number of virtual shares granted and thus change the amount to be paid out, which has no upper limit. Under the concept behind the remuneration system, the members of the Board of Managing Directors are intended to bear the risk of the performance of the virtual shares after the calculation of the total goal achievement amount, as a long-term element of remuneration. It would not be appropriate to cap the scope for participating in positive share price performance, especially given that no floor applies if the price should fall.
- In relation to the remuneration of the Board of Managing Directors, section 4.2.3 (2) sentence 8 of the Code recommends that there should be no subsequent changes to goals or the parameters for determining the variable remuneration components. Under the German Stock Corporation Act, the Supervisory

Board should agree the possibility of restricting the variable remuneration of the Board of Managing Directors in exceptional circumstances. It is entitled under this legislation to adjust the goals and other parameters for determining variable remuneration components in exceptional circumstances, to reasonably neutralise any positive or negative repercussions on the achievability of the goals; the cap on variable remuneration must be observed in all cases.

- Section 4.2.3 (3) of the Code recommends that in the case of pension commitments to members of the Board of Managing Directors, the Supervisory Board should define the intended benefit level – based on the length of their term of office – and the annual and long-term expense for the company arising therefrom. Pension provision for the Board of Managing Directors is a contribution-based benefit scheme that does not specify a particular level of benefits. Instead, each member of the Board of Managing Directors has an entitlement to an annual pension module, the amount of which is determined as a fixed percentage of that individual's basic annual salary. This gives the Supervisory Board a clear picture of the annual and long-term expense for the company, including the impact of actuarial effects on pension provisions. The fact that a particular benefit level is not defined, combined with the switch to a contribution-based scheme, is in line with what is now common business practice.
- Section 4.2.5 sentence 5 and 6 of the Code requires some of the information on board remuneration in the Remuneration Report to be provided in standardised tables. However, the model tables in the Code do not take account of the requirements of the Remuneration Ordinance for Institutions and are therefore not as suitable for financial institutions such as Commerzbank AG. As a result, Commerzbank AG has decided not to implement this recommendation in its Remuneration Report 2017. Commerzbank AG has created its own tables which provide clear and transparent information on its board remuneration system. Commerzbank AG has decided not to use the model tables in the Code alongside the tables created by it or required under accounting rules, because this would undermine the clarity and comprehensibility of the Remuneration Report it is aiming for.
- Section 5.3.3 of the Code recommends that the Supervisory Board establish a nomination committee made up exclusively of shareholder representatives. Under Art. 25d (11) sentence 2 no. 1 of the German Banking Act, the nomination committee must support the Supervisory Board in identifying candidates to fill positions on bank management bodies. At Commerzbank AG, this task was formerly performed by the Presiding Committee, which also includes employee representatives. In order to

maintain the established practice at Commerzbank AG of involving both employee and shareholder representatives in the selection of candidates for the Board of Managing Directors, two members of the Commerzbank AG Supervisory Board's Nomination Committee are employee representatives.

- Section 5.4.1 (2) sentence 2 of the Code recommends that the Supervisory Board should set concrete objectives regarding its composition which, while taking into consideration the specific situation at the company, take into account the international activities of the company, potential conflicts of interest, the number of independent members of the Supervisory Board pursuant to section 5.4.2 of the Code, a specified age limit for members of the Supervisory Board, a specified fixed limit on length of service on the Supervisory Board and diversity. The Supervisory Board of Commerzbank AG regularly sets specific targets for its composition, taking into account the criteria listed in section 5.4.1 (2) sentence 2. However, it has not set a limit on the normal length of service on the Supervisory Board. The Supervisory Board takes the view that continued service frequently has to be decided in respect of the individual member: setting a fixed limit would result in an inappropriate restriction. Differing lengths of service among the individual members of the Supervisory Board can also offer advantages in terms of diversity.

Suggestions of the German Corporate Governance Code

Commerzbank AG also largely complies with the suggestions of the German Corporate Governance Code, deviating from them in only a few points:

- In a deviation from section 2.3.2, the proxy can only be reached up to the day prior to the Annual General Meeting. However, shareholders present or represented at the Annual General Meeting are able to give their proxy instructions at the meeting itself as well.
- In section 2.3.3, it is suggested that the Annual General Meeting be broadcast in its entirety on the internet. Commerzbank AG broadcasts the speeches of the Chairman of the Supervisory Board and the Chairman of the Board of Managing Directors, but not the general debate. This liberates shareholders to discuss matters freely with the management, without a wide-scale public broadcast.

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Board of Managing Directors

The Board of Managing Directors of Commerzbank AG is responsible for independently managing the Bank in the Bank's best interest. In doing so, it must take into account the interests of shareholders, customers, employees and other stakeholders, with the objective of sustainable value creation. It develops the company's strategy, discusses it with the Supervisory Board and ensures its implementation. In addition, it sees that efficient risk management and risk control measures are in place. The Board of Managing Directors manages the Commerzbank Group as the Group executive body on the basis of uniform guidelines and exercises general control over all group companies. The board conducts the Bank's business activities in accordance with the law, the Articles of Association, its rules of procedure, internal guidelines and the relevant employment contracts. It cooperates on a basis of trust with Commerzbank AG's other corporate bodies, the employee representatives and the corporate bodies of other Group companies.

The composition of the Board of Managing Directors and the responsibilities of its individual members are presented on page 5 of this Annual Report. The work of the Board of Managing Directors is specified in greater detail in its rules of procedure, which may be viewed on Commerzbank's website <https://www.commerzbank.com>.

Extensive details of the remuneration paid to the members of the Board of Managing Directors are given in the Remuneration Report on pages 27 to 37.

Supervisory Board

The Commerzbank AG Supervisory Board advises and supervises the Board of Managing Directors in its management of the Bank. It appoints and dismisses members of the Board of Managing Directors and, together with the Board of Managing Directors, ensures that there is long-term succession planning. The Supervisory Board discharges its responsibilities in accordance with legal requirements, the Articles of Association and its rules of procedure; it cooperates closely and on a basis of trust with the Board of Managing Directors.

The composition of the Supervisory Board and its committees is presented on pages 13 to 15 of this Annual Report. Details on the work of this committee and on its structure and control function are provided on pages 6 to 12 of the Report of the Supervisory Board. Further details on how the Supervisory Board and its committees work can be found in the rules of procedure of the Supervisory Board, available online at www.commerzbank.com.

Section 5.4.1 (2) of the Code recommends that the Supervisory Board should set concrete objectives and draw up a profile of skills and expertise for the board as a whole. While taking into consideration the company's specific situation, the composition of the Supervisory Board should appropriately reflect the international

activities of the company, potential conflicts of interest, the number of independent members of the Supervisory Board pursuant to section 5.4.2 of the Code, an age limit for members of the Supervisory Board, a limit on the normal length of service on the board and diversity. The special requirements of the German co-determination legislation need to be taken into account for the elected employee representatives.

In accordance with section 5.4.1 (4) of the Code, the appointments proposed by the Supervisory Board to the AGM should take account of the Supervisory Board's objectives and targets while also seeking to fulfil the profile of skills and expertise for the board as a whole. Progress in implementing the targets should be published in the Corporate Governance Report.

The Supervisory Board of Commerzbank AG has approved the following concrete objectives:

The composition of the Supervisory Board should be such that, overall, its members have the necessary skills, expertise, experience and knowledge to be able to perform its duties properly. In particular, the Supervisory Board should have all the expertise and experience deemed essential given the activities of the Commerzbank Group. Emphasis should also be placed on appointing members with particular knowledge and experience of the application of accounting principles and internal control procedures. The members of the Supervisory Board should also be able to devote sufficient time to the performance of their duties. Members should be reliable, and consideration should be given to their commitment, personality, professionalism, integrity and independence. The Supervisory Board has resolved a detailed profile of skills and expertise for the board as a body, which may be consulted on Commerzbank's website at <https://www.commerzbank.com>. The Supervisory Board takes account of the targets and requirements set out there in its election proposals to the AGM and the regular assessment of the Supervisory Board as a whole and its members. All targets set by the Supervisory Board for its composition and the profile of responsibilities were implemented as at 31 December 2017. In accordance with section 5.4.1 (4) of the Code, the Corporate Governance Report should also provide information on what in the view of the Supervisory Board is the appropriate number of independent shareholder members and the names of these members. Under section 5.4.2 of the Code, a Supervisory Board member is not considered independent if he or she has a personal or business relationship with the company, its corporate bodies, a controlling shareholder or a company affiliated with the controlling shareholder that could lead to a significant, not temporary conflict of interest. The employee representatives are not subject to this assessment.

Applying the above-mentioned criteria, all ten shareholder representatives can be classified as “independent”, namely Klaus-Peter Müller, Sabine U. Dietrich, Karl-Heinz Flöther, Dr. Tobias Guldemann, Dr. Markus Kerber, Dr. Stefan Lippe, Anja Mikus, Dr. Helmut Perlet, Nicholas Teller and Dr. Gertrude Tumpel-Gugerell.

As 100% of the Supervisory Board members on the shareholder side are therefore independent, the Supervisory Board’s own assessment that the Board contains a suitable number of independent members is well-founded.

In accordance with section 5.6 of the German Corporate Governance Code, the Supervisory Board reviewed the efficiency of its work in financial year 2017 as part of the assessment required under Art. 25d (11) nos. 3 and 4 of the German Banking Act. The results of the efficiency audit were presented to the plenary session for discussion. The members of the Supervisory Board believe that the board works in an efficient manner and to a high standard. Suggestions from members of the Supervisory Board have been and continue to be taken into account for future activities.

Under section 5.5.2 of the German Corporate Governance Code and Art. 3 (6) of the rules of procedure of the Supervisory Board, each member of the Supervisory Board must disclose any conflicts of interest. No member of the Supervisory Board declared such a conflict of interest during the year under review.

Details of the remuneration paid to the members of the Commerzbank AG Supervisory Board are given on pages 37 to 39 of the Remuneration Report.

Diversity

At Commerzbank AG and in the group companies, consideration is given to diversity in the composition of the Board of Managing Directors, appointments to management and in recommendations for the election of Supervisory Board members (sections 4.1.5, 5.1.2 and 5.4.1 of the Code). The aim is to reduce the risk of prejudice and “groupthink”. In addition, diversity within the Board of Managing Directors and Supervisory Board contributes to a broader range of experience and a greater bandwidth in terms of knowledge, capabilities and expertise.

Diversity policy and targets for the Supervisory Board

The Supervisory Board of Commerzbank AG consists of 20 members. The target is that the Supervisory Board should always have at least eight members elected by the Annual General Meeting who are independent (shareholder representatives) as defined in section 5.4.2 of the Code and not more than two former members of the Board of Managing Directors of Commerzbank AG. The Supervisory Board has set a regular age limit of 72 and is aiming for a broad range of ages within the board.

The Supervisory Board also wants its members to have a suitable range of educational and professional backgrounds and for the board to have at least one international member. The Supervisory Board also considers appropriate female representation when proposing candidates to the Annual General Meeting for election. The Supervisory Board is keen to at least meet the statutory requirement of a minimum of 30% female representation. It must be borne in mind that the only way the Supervisory Board is able to influence its composition is by the candidates it proposes to the Annual General Meeting for election. The employee representatives on the Supervisory Board are also keen to at least maintain the current percentage of female representation of 30% among the employee representatives in the future.

The Supervisory Board met all of the above-mentioned targets in 2017. As at 31 December 2017, the Supervisory Board of Commerzbank AG included three international members and six women, of whom three were shareholder representatives. The percentage of women on the Supervisory Board is therefore 30% at present.

The situation in the Group companies is similar. Where required by law, they have also set their own targets for the proportion of women on their supervisory boards.

Diversity policy and targets for the Board of Managing Directors

The Nomination Committee of Commerzbank AG’s Supervisory Board assists the Supervisory Board in selecting applicants for positions on the Board of Managing Directors. It takes account of the balance and range of knowledge, skills and experience of all the board members, draws up a job description with an applicant profile and indicates the time requirements associated with the appointment. In making appointments to the Board of Managing Directors, the Supervisory Board aims to increase diversity, particularly with regard to characteristics such as age, education and professional background and to raise the proportion of women. The Supervisory Board also seeks to ensure that a reasonable range of educational and professional backgrounds is represented on the Board of Managing Directors.

In terms of the proportion of women on Commerzbank AG’s Board of Managing Directors, for which the company is required by law to stipulate a target, the Supervisory Board has set a target of at least one female member by 31 December 2021. This target has already been met.

Dr. Bettina Orlopp was appointed to the Board of Managing Directors of Commerzbank AG with effect from 1 November 2017. She is responsible on the board for the areas she has overseen as Senior General Manager since May 2016: Compliance, Human Resources and Legal.

The proportion of women on Commerzbank AG’s Board of Managing Directors is therefore 14.3% at present.

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The situation in the Group companies is similar. Where required to by law, they have also set their own targets for the proportion of women on their management boards.

Targets for the first and second levels of management

Art. 76 (4) of the German Stock Corporation Act requires the Board of Managing Directors of Commerzbank AG to set targets for female representation at the two levels of management below the Board of Managing Directors and a deadline for achieving these targets. In accordance with Art. 25 (1) of the Introductory Act of the German Stock Corporation Act, the targets and deadlines must be set for the first time and documented by 30 September 2015. The deadlines specified must be no later than 30 June 2017. A maximum period of five years applies to all later deadlines under Art. 76 (4) of the German Stock Corporation Act.

In May 2017, the full Board of Managing Directors therefore set new targets for female representation in the first and second management levels of Commerzbank AG in Germany. The target is 17.5% for the first management level and 20% for the second. The deadline for achieving the targets is 31 December 2021. Commerzbank AG has therefore set itself ambitious targets. It is an important objective for the Bank and the Group as a whole to further increase the number of women in management positions.

As at 31 December 2017, the first management level below the Board of Managing Directors in Commerzbank AG consisted of 35 people, of whom 30 were male and 5 female. The percentage of women in the first level of management below the Board of Managing Directors was therefore 14.3%.

The second management level below the Board of Managing Directors consisted of 381 people, 319 of whom were male and 62 female. The percentage of women in the second level of management below the Board of Managing Directors was thus 16.3%.

The Board of Managing Directors chose not to set targets for the first and second levels of management at Group level. Instead, the individual Group companies have set their own targets within the statutory framework.

In the Group, the first management level below the Board of Managing Directors consisted of 41 people, of whom 36 were male and 5 female. The percentage of women in the first level of management below the Board of Managing Directors was thus 12.2% as at 31 December 2017.

The second management level below the Board of Managing Directors consisted of 459 people, 390 of whom were male and 69 female. This means that the percentage of women in the second level of management below the Board of Managing Directors was 15%.

Accounting

Accounting in the Commerzbank Group and at Commerzbank AG gives a true and fair view of the net assets, financial position and earnings performance. The Group financial statements and Group Management Report are prepared in accordance with International Financial Reporting Standards (IFRS) and the additional requirements of the German Commercial Code; the parent company financial statements and management report of Commerzbank AG are prepared in accordance with the provisions of the German Commercial Code. The Group financial statements and parent company financial statements are prepared by the Board of Managing Directors and approved by the Supervisory Board. The audit is performed by the auditor elected by the Annual General Meeting.

The Group Management Report also includes a detailed risk report, providing information on the Bank's responsible handling of the various types of risk. This appears on pages 99 to 134 of this Annual Report.

Shareholders and third parties receive additional information on the course of business during the financial year in the form of the semi-annual report as well as in two quarterly reports. These interim financial statements are also prepared in accordance with International Financial Reporting Standards (IFRS).

Shareholder relations, transparency and communication

The Annual General Meeting of shareholders takes place once a year. It decides upon the appropriation of distributable profit (if any) and approves the actions of the Board of Managing Directors and the Supervisory Board, the appointment of the auditors and any amendments to the Articles of Association.

If necessary, it authorises the Board of Managing Directors to undertake capital-raising measures and approves the conclusion of profit and loss transfer agreements. Each share entitles the holder to one vote.

In 2015, the Board of Managing Directors and the Supervisory Board, as is permitted under Art. 120 (4) of the German Stock Corporation Act, gave the Annual General Meeting the opportunity to vote on the approval of the remuneration system for members of the Board of Managing Directors. The 2015 Annual General Meeting approved the principles of the variable remuneration system and the fixed basic annual salary for members of the Board of Managing Directors.

The 2015 Annual General Meeting also voted on the ratio of variable to fixed annual remuneration for members of the Board of Managing Directors pursuant to Art. 25a (5) sentence 5 of the German Banking Act and approved an increase in the cap on variable annual remuneration for members of the Board of Managing Directors of Commerzbank AG to 140% of the respective fixed annual remuneration set from 2015 onwards.

The Bank's shareholders may submit recommendations or other statements by letter or e-mail, or may present them in person. The Bank's head office quality management unit is responsible for dealing with written communication. At the Annual General Meeting, the Board of Managing Directors or the Supervisory Board comment or reply directly. At the same time, shareholders may influence the course of the Annual General Meeting by means of countermotions or supplementary motions to the agenda. Shareholders may also apply for an Extraordinary General Meeting to be convened. The reports and documents required by law for the Annual General Meeting, including the Annual Report, may be downloaded from the internet, and the same applies to the agenda for the Annual General Meeting and any countermotions or supplementary motions.

Commerzbank AG informs the public – and consequently shareholders as well – about the Bank's financial position and earnings performance four times a year. Corporate news items that may affect the share price are also published in the form of ad hoc releases. This ensures that all shareholders are treated equally. The Board of Managing Directors reports on the annual financial statements and the quarterly results in press conferences and analysts' meetings. Commerzbank increasingly uses the possibilities offered by the internet for reporting purposes, offering a wealth of information about the Commerzbank Group at <https://www.commerzbank.com>. Materials including the Commerzbank Articles of Association and the rules of procedure of the Board of Managing Directors and the Supervisory Board are available online. The financial calendar for the current and the forthcoming year is also published in the Annual Report and on the internet. This contains the dates of all significant financial communications, notably the annual press conference and analyst conferences and the date of the Annual General Meeting.

We feel an obligation to communicate openly and transparently with our shareholders and all other stakeholders. We intend to continue to meet this obligation in the future.

Remuneration Report

The following Remuneration Report is also part of the Group Management Report.

This report follows the recommendations of the German Corporate Governance Code and complies with the requirements of the International Financial Reporting Standards (IFRS).

Board of Managing Directors

Remuneration system for the Board of Managing Directors

The Supervisory Board ratified the current remuneration system for the members of the Board of Managing Directors in December 2014; it has been in force since 1 January 2015. It had become necessary to introduce a new system to bring the remuneration of the Board of Managing Directors into line with new and/or amended rules under the Capital Requirements Directive IV, the German Banking Act and the Remuneration Ordinance for Institutions. The system also needed to be simplified, so as to improve its transparency and its clarity in respect of success measurement. However, the components of the old system that had not been paid out in full by 1 January 2015 continue to be governed exclusively by the rules of that system, which is described in the 2014 Remuneration Report. At present this still applies to the long-term remuneration components (LTI components) from financial years 2013 and 2014. Over the course of financial year 2018 the Supervisory Board will amend the remuneration system to bring it into line with the revised version of the Remuneration Ordinance for Institutions of 4 August 2017.

Main features of the current remuneration system

The core elements of the remuneration system are a fixed basic annual salary plus variable remuneration with a uniform target amount. The appropriateness of the fixed basic annual salary and the variable remuneration is checked at regular two-yearly intervals. The 2015 Annual General Meeting approved the remuneration system and an upper limit for variable remuneration of 140% of fixed remuneration.

Fixed remuneration components

The fixed remuneration components include the basic annual salary and non-monetary elements. The basic annual salary is €750 thousand for ordinary members of the Board of Managing Directors. The Chairman of the Board of Managing Directors receives 1.75 times this amount, i.e. €1,312,500. This is payable in 12 equal monthly instalments. The non-monetary elements mainly

consist of the use of a company car with driver, security measures and insurance contributions (accident insurance), as well as the tax thereon. Members are also entitled to company pension arrangements, which are set down in pension agreements and described in a separate section below.

Performance-related remuneration components (variable remuneration)

The remuneration system provides for a uniform variable remuneration component linked to the achievement of targets set by the Supervisory Board at the start of each financial year. The variable remuneration is determined by (i) EVA target achievement by the Commerzbank Group, (ii) target achievement by the department (segment and/or shared functions) for which the member of the Board of Managing Directors in question is responsible, and (iii) the achievement of individual performance targets. Goal achievement for the Group, the department and the individual performance can be between 0% and 200%; however, overall goal achievement from these three components is limited to 150%. The total goal achievement amount is arrived at by multiplying the overall goal achievement level by the target amount. The total goal achievement amount is therefore capped at a maximum of 150% of a member's target amount.

Target amount The target amount for variable remuneration is €1,000,000 for the ordinary members of the Board of Managing Directors and €1,628,640 for the Chairman, based on goal achievement of 100%. The Supervisory Board may reduce the target amount if this is necessary to comply with the maximum ratio of fixed to variable remuneration. This can happen if non-monetary benefits or the service cost for the company pension arrangements for members of the Board of Managing Directors are reduced, as these are both included in the fixed remuneration.

Target setting Before the beginning of each financial year, the Supervisory Board sets targets for the members of the Board of Managing Directors:

- **Company targets** The Supervisory Board sets targets for economic value added (EVA) or other measures that it may choose for the Group and the departments for which a member of the Board of Managing Directors in question is responsible and determines what level of target attainment corresponds to what percentage.
- **Individual targets** The Supervisory Board also sets specific individual quantitative and/or qualitative targets for the members of the Board of Managing Directors.

Target achievement Following the end of each financial year, the Supervisory Board decides on the extent to which the targets were achieved. Measurement of target achievement for company targets is based 70% on the Group's business success and 30% on the results and target achievement of the department for which the member in question is responsible. These measurements are over a three-year period, with achievement of the company targets for the financial year in question given a 3/6 weighting, the previous year 2/6 and the year before that 1/6. A transitional arrangement applies to the first two years for newly appointed members of the Board of Managing Directors. The results of the three-year achievement of the company targets are then multiplied by a factor of between 0.7 and 1.3, which is dependent on the achievement of the individual targets of the member of the Board of Managing Directors. 0.7 corresponds to individual target achievement of 0% (minimum), 1.0 to individual target achievement of 100% and 1.3 to individual target achievement of 200% (maximum). For intermediate values, the Supervisory Board defines the factors in increments when setting the targets. Variable remuneration will only be applied if the Group achieves a profit before taxes and non-controlling interests according to IFRS.

The Supervisory Board may resolve to reduce or cancel the variable remuneration if necessary, for example to take account of the Bank's risk-bearing capacity or ability to ensure that it can maintain or rebuild sufficient capital or liquidity resources over the long term or to safeguard its ability to meet the capital buffer requirements of the German Banking Act. If predefined levels are not met, the Supervisory Board must cancel the variable remuneration. The Supervisory Board must also cancel the variable remuneration of a member of the Board of Managing Directors if said member has committed a serious breach of duty during the financial year in question up to the determination of target achievement.

Short-Term Incentive (STI) 40% of the variable remuneration takes the form of a Short-Term Incentive. Entitlement to the STI arises upon determination by the Supervisory Board of the total target achievement amount for variable remuneration and its notification to the member of the Board of Managing Directors. Half of the component is payable in cash, the other half is payable after a 12-month waiting period, also in cash but share-based. This half is linked to the performance of the Commerzbank share since the end of the financial year in respect of which the STI was awarded.

Long-Term Incentive (LTI) The remaining 60% of the variable remuneration takes the form of a Long-Term Incentive. Entitlement to the LTI arises only after the end of a five-year retention period and subject to a retrospective performance evaluation. The retrospective performance evaluation can result in the LTI being reduced or cancelled completely. This mainly applies when facts subsequently emerge which reveal that the original calculation of target achievement was incorrect, or the Bank's capital adequacy has significantly deteriorated due to circumstances related to that financial year. This would also apply if there had been a significant failure in risk management in that financial year at Group level or in a department for which the member is responsible, or if the Bank's financial position at the time of the retrospective performance evaluation or at the end of the ensuing waiting period precludes payment. The LTI element resulting from the retrospective performance evaluation is payable half in cash and half after a further 12-month waiting period, also in cash but share-based. As with the share-based part of the STI, this half is linked to the performance of the Commerzbank share since the end of the financial year in respect of which the LTI was awarded. The share-based half of the LTI therefore reflects the performance of the Commerzbank share during the five-year retention period and the subsequent waiting period.

Remuneration for serving on the boards of consolidated companies

The remuneration accruing to an individual member of the Board of Managing Directors from serving on the boards of consolidated companies counts towards the total remuneration paid to that member of the Board of Managing Directors.

Pension provision

Rules for members of the Board of Managing Directors in office in 2011 The occupational pension scheme adopted in 2011 by the Supervisory Board for members of the Board of Managing Directors contains a contribution-based defined benefit for members of the Board of Managing Directors in office at the time.

Each member of the Board of Managing Directors receives a credit of a pension module to their pension account every year until the end of their appointment as such. The pension module for a calendar year is calculated by converting the relevant annual contribution into an entitlement to a retirement, disability and surviving dependants' pension. The pension account represents the retirement pension entitlement the member of the Board of Managing Directors has accrued. Since 2015, increases in the fixed annual salary only increase the pension module if resolved by the Supervisory Board.

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A member of the Board of Managing Directors receives a retirement benefit in the form of a life-long pension, subject to the following conditions, provided their term of office has ended:

- an old-age pension if the member has reached their 65th birthday, or
- an early retirement pension if (i) the Board member has reached their 62nd birthday but not their 65th, or (ii) the Board member has served at least 10 years on the Board of Managing Directors and has reached their 58th birthday, or (iii) has served at least 15 years on the Board of Managing Directors, or
- a disability pension if the Board member is permanently unable to work.

If a member of the Board of Managing Directors leaves the Bank before the pension benefits become due, any entitlement to vested benefits that they have already accrued is retained.

The monthly amount of the retirement pension is calculated as a twelfth of the amount in the pension account when the pension benefits start.

When calculating the early retirement pension, the pension will be reduced to reflect the fact that the payments are starting earlier.

If the disability pension is taken before the age of 55, the monthly amount is supplemented by an additional amount.

If they retire after reaching the age of 62, members of the Board of Managing Directors can elect to receive a lump-sum payment or nine annual instalments instead of an ongoing pension. In this case, the amount paid out is calculated using a capitalisation rate based on the age of the Board member.

Instead of their pension, members of the Board of Managing Directors will continue to receive their pro-rata basic salary for six months as a form of transitional pay if they leave the Board on or after their 62nd birthday or they are permanently unable to work. The transitional pay can be reduced, especially in the event of misconduct. If a member of the Board of Managing Directors receives an early retirement pension and has not yet reached their 62nd birthday, earned income from other activities will be deducted from the pension entitlement at a rate of 50% until that age is reached.

The surviving dependants' pension for a surviving spouse or partner is 66 2/3% of the pension entitlements of the member of the Board of Managing Directors. If no surviving dependant's pension is paid to a surviving spouse or partner, minors or children still in full-time education are entitled to an orphan's pension amounting to 25% each of the pension entitlement of the member of the Board of Managing Directors, subject to a maximum overall limit of the surviving dependant's pension of a surviving spouse or partner.

Rules for Board members who were appointed after the new provisions came into effect Pension provision for members of the Board of Managing Directors appointed after the new provisions came into effect was defined according to the Commerzbank capital plan for company pension benefits. A member of the Board of Managing Directors receives a retirement benefit in the form of a capital sum, subject to the following conditions, provided their term of office has ended:

- they have reached their 65th birthday (retirement capital), or
- they have reached their 62nd but not their 65th birthday (early retirement capital), or
- they are permanently unable to work before their 62nd birthday.

If a member of the Board of Managing Directors leaves the Bank before the pension benefits become due, any entitlement to vested benefits that they have already accrued is retained.

For each calendar year during the current employment relationship until pension benefits start to be paid out, each member of the Board of Managing Directors joining after the new rules came into effect is credited an annual module equating to 40% of the fixed basic annual salary (annual contribution), multiplied by an age-dependent conversion factor. Under this system too, since 2015 increases in the fixed annual salary only increase the annual module if resolved by the Supervisory Board. Until the member of the Board of Managing Directors leaves, the annual modules are managed in a pension account. Upon reaching their 61st birthday, an additional 2.5% of the amount in the pension account at the end of the previous year is credited to the pension account of the member of the Board of Managing Directors on an annual basis until the pension benefits start to be paid out.

The annual contribution is invested in investment funds and placed in a virtual custody account.

The retirement capital or the early retirement capital will correspond to the amount in the virtual custody account or the amount in the pension account when the pension benefits start to be paid out, whichever is higher. Under these rules, the amount in the pension account represents the minimum capital payment, where the amount in the virtual custody account is less. As an alternative to the lump-sum payment, the member of the Board of Managing Directors may elect to receive a life-long pension.

For the first two months after the pension benefits become due, the member of the Board of Managing Directors will receive transitional pay of one-twelfth of their fixed basic annual salary per month. The transitional pay can be reduced, especially in the event of misconduct.

If a member of the Board of Managing Directors dies before the pension benefits become due, their dependants are entitled to receive the dependants' capital, which corresponds to the amount in the virtual custody account on the value date or the sum of the amount in the pension account and any additional amount, which-

ever is higher. An additional amount is payable if, at the time when pension benefits became due through inability to work or at the time of death, the Board member had served at least five consecutive years on the Bank's Board of Managing Directors and had not yet reached their 55th birthday. If the member of the Board of Managing Directors has exercised the option in favour of a pension, in the event of their death as a prospective member the surviving spouse or partner receives a surviving dependant's pension calculated based on the retirement capital using actuarial rules. If the member of the Board of Managing Directors was already re-

ceiving a pension, a surviving spouse or partner receives a surviving dependant's pension of 60% of the pension last paid to the member.

The table below shows the annual pension entitlements at pensionable age of 62 for active members of the Board of Managing Directors on 31 December 2017, the corresponding actuarial net present values on 31 December 2017, the service costs for 2017 contained in the net present value, and comparable amounts for the previous year:

€1,000		Pension entitlements Projected annual pension at pensionable age of 62 As at 31.12.	Net present values of pension entitlements As at 31.12.	Service costs
Martin Zielke	2017	237	5,999	1,095
	2016	194	4,967	833
Martin Blessing ¹	2017	–	–	–
	2016	332	7,706	171
Frank Annuscheit	2017	224	5,525	536
	2016	202	5,035	454
Markus Beumer ²	2017	–	–	–
	2016	187	4,011	352
Dr. Marcus Chromik ³	2017	43 ⁴	682	342
	2016	23 ⁴	344	306
Stephan Engels	2017	109 ⁴	1,945	321
	2016	95 ⁴	1,606	311
Michael Mandel ⁵	2017	32 ⁴	519	329
	2016	13 ⁴	193	175
Dr. Bettina Orlopp ⁶	2017	3 ⁴	56	56
	2016	–	–	–
Michael Reuther	2017	258	6,711	569
	2016	236	6,165	497
Total	2017		21,437	3,248
	2016		30,027	3,099

¹ Martin Blessing's term of office as Chairman and member of the Board of Managing Directors ended Details of remuneration of the Board of Managing Directors on 30 April 2016.

² Markus Beumer's term of office as a member of the Board of Managing Directors ended on 31 October 2016.

³ Dr. Markus Chromik was appointed as a member of the Board of Managing Directors from 1 January 2016.

⁴ Capital sum annualised.

⁵ Michael Mandel was appointed as a member of the Board of Managing Directors from 23 May 2016.

⁶ Dr. Bettina Orlopp was appointed as a member of the Board of Managing Directors from 1 November 2017.

The assets backing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension-Trust e. V.

As at 31 December 2017, defined benefit obligations for members of the Commerzbank Aktiengesellschaft Board of Managing Directors active in 2017 totalled €21.4m (previous year: €30.0m).

Rules for termination of office If the term of office of a member of the Board of Managing Directors is effectively terminated, the following applies:

If the term of office of a member of the Board of Managing Directors ends prematurely, the employment contract usually expires six months later (linking clause). In this case, the Board

member continues to receive the basic annual salary and variable remuneration – subject to Art. 615 sentence 2 of the German Civil Code (offsetting of remuneration otherwise acquired) – beyond the end of employment until the end of the original term of office. From the moment the term of office is ended, the average target achievement of the other members of the Board of Managing Directors for the year in question will be used for target achievement. The variable remuneration also remains subject to the rules of the remuneration system, including the retrospective performance evaluation.

If, in the case of premature termination of the term of office, the contract of employment ends for reasons other than the linking clause described above, the fixed basic annual salary will continue

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to be paid – on a pro-rata basis where applicable – until the end of the contract of employment. The variable remuneration communicated for financial years prior to the termination of the contract of employment remains unaffected. The variable remuneration for the final year in office is reduced on a pro-rata basis where applicable. In this case too, the variable remuneration also remains subject to the rules of the remuneration system, including the retrospective performance evaluation.

If the contract of employment is not extended upon expiry of the current term of office, without there being good cause within the meaning of Art. 626 of the German Civil Code, or if the contract of employment ends as a result of a linking clause as described above, the member of the Board of Managing Directors will continue to receive his or her basic annual salary for a period of six months after the end of the original term of office. This payment ceases as soon as the member of the Board of Managing Directors starts to receive pension payments.

In all these cases, the specified payments for the time after the effective termination of the term of office may not exceed two years' annual remuneration¹ (cap).

If upon termination of a term of office or non-extension of an appointment the conditions apply for extraordinary termination of the employment contract pursuant to Art. 626 of the German Civil Code, the member of the Board of Managing Directors will receive no variable remuneration for the last year of his/her term of office. The same applies where a member of the Board of Managing Directors resigns his/her mandate without good cause accepted by the Bank. In both these cases, the same applies to the fixed basic annual salary from the end of the month in which the term of office ends. If the term of office is terminated because of a serious breach of duty, the variable remuneration for the year in which the term of office ended and variable remuneration not yet paid out in respect of previous years shall not be payable.

Other

No members of the Board of Managing Directors received payments or promises of payment from third parties in the year under review in respect of their work as a member of the Board of Managing Directors.

Details of remuneration of the Board of Managing Directors in accordance with the German Corporate Governance Code

Under 4.2.5 of the 7 February 2017 edition of the German Corporate Governance Code, the benefits granted for the year under review and the allocation made (actual payouts made) for the year under review should be reported for each member of the Board of Managing Directors. This should be broken down into fixed remuneration, company benefits and one-year and multi-year variable remuneration.

As the model tables recommended by the German Corporate Governance Code do not take account of the specificities of the Remuneration Ordinance for Institutions, and hence are less suitable for institutions such as Commerzbank, the Bank has designed its own tables, which provide transparent and comprehensible information on its remuneration system for members of the Board of Managing Directors. Commerzbank has decided not to use the model tables in the Code, because this would undermine the clarity and comprehensibility of the Remuneration Report it is aiming for. Commerzbank also stated this in its declaration of compliance pursuant to Art. 161 of the Stock Corporation Act. Unlike the presentation last year, both the benefit and allocation tables below no longer distinguish between one-year and multi-year variable remuneration, but instead between short-term and long-term remuneration. This is because the total variable remuneration regularly includes the achievement of company targets over a period of three years. The only exceptions are due to a transitional arrangement for newly appointed members of the Board of Managing Directors in the first and second years of their appointment. Variable short-term remuneration is the Short-Term Incentive under the current remuneration system. This is paid out half in cash after the end of the financial year and half in the form of shares after a 12-month waiting period, i.e. in the short term. Entitlement to the long-term portion, the Long-Term Incentive, arises only after the end of a five-year retention period and subject to a retrospective performance evaluation. The pension expense for pension provision for the individual members of the Board of Managing Directors is shown in the above table in the service cost column. Pension expense is therefore not shown again in either the allocation or the benefit tables.

¹ The cap is twice the basic annual salary including company benefits (in particular the use of a company car with driver, security measures and insurance premiums (accident insurance)) plus the average variable compensation notified for the three previous financial years before termination of the term of office.

The following tables show the actual allocations in 2017 with the figures from the previous year for comparison for each individual member of the Board of Managing Directors. The allocation “for” the year means for example that the STI 2017 paid in cash

for 2017 and for which all the parameters are fixed at the end of the year, is shown as an allocation for 2017 even though the actual payment is not made until 2018. Equally, the STI 2016 paid out in cash in 2017 is shown as an allocation for 2016.

Allocation €1,000	Martin Zielke Chairman (since 1 May 2016)		Martin Blessing former Chairman (until 30 April 2016)		Frank Annuscheit Chief Operating Officer	
	2017	2016	2017	2016	2017	2016
Basic salary	1,313	1,125	–	438	750	750
Accessory considerations	129	118	–	101	92	124
Sub-total	1,442	1,243	–	539	842	874
Short term variable remuneration	415	284	238	242	273	224
STI 2014 in virtual shares (up to Q1/2016)	–	96	–	168	–	100
STI 2015 in virtual shares (up to Q1/2017)	128	–	238	–	115	–
STI 2016 in cash	–	188	–	74	–	124
STI 2017 in cash	287	–	–	–	158	–
Long term variable remuneration	178	73	311	0	182	70
LTI 2013 in cash (up to 31.12.2016) ¹	–	73	–	0	–	70
LTI 2014 in cash (up to 31.12.2017)	178	–	311	–	182	–
Total	2,035	1,600	549	781	1,297	1,168

¹Martin Blessing, former Chairman of the Board of Managing Directors, waived all entitlement to variable remuneration for 2012 and 2013.

Allocation €1,000	Markus Beumer Mittelstandsbank (until 31 October 2016)		Dr. Marcus Chromik Chief Risk Officer (since 1. January 2016)		Stephan Engels Chief Financial Officer	
	2017	2016	2017	2016	2017	2016
Basic salary	–	625	750	750	750	750
Accessory considerations	–	69	71	84	122	114
Sub-total	–	694	821	834	872	864
Short term variable remuneration	107	164	186	118	285	215
STI 2014 in virtual shares (up to Q1/2016)	–	89	–	–	–	89
STI 2015 in virtual shares (up to Q1/2017)	107	–	–	–	115	–
STI 2016 in cash	–	75	–	118	–	126
STI 2017 in cash	–	–	186	–	170	–
Long term variable remuneration	169	64	–	–	169	64
LTI 2013 in cash (up to 31.12.2016)	–	64	–	–	–	64
LTI 2014 in cash (up to 31.12.2017)	169	–	–	–	169	–
Total	276	922	1,007	952	1,326	1,143

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Allocation €1,000	Michael Mandel Private and Small- Business Customers (since 23 May 2016)		Dr. Bettina Orlopp Group Compliance, Group Human Resources, Group Legal (since 1 November 2017)		Michael Reuther Corporate Clients, Group Treasury	
	2017	2016	2017	2016	2017	2016
Basic salary	750	456	125	–	750	750
Accessory considerations	102	58	20	–	130	125
Sub-total	852	514	145	–	880	875
Short term variable remuneration	170	76	30	–	251	195
STI 2014 in virtual shares (up to Q1/2016)	–	–	–	–	–	93
STI 2015 in virtual shares (up to Q1/2017)	–	–	–	–	123	–
STI 2016 in cash	–	76	–	–	–	102
STI 2017 in cash	170	–	30	–	128	–
Long term variable remuneration	–	–	–	–	174	70
LTI 2013 in cash (up to 31.12.2016)	–	–	–	–	–	70
LTI 2014 in cash (up to 31.12.2017)	–	–	–	–	174	–
Total	1,022	590	175	–	1,305	1,140

The following table shows the benefits, comprising fixed remuneration (basic salary and company benefits) and variable remuneration in the amount of the total goal achievement amount set, the short-term and long-term portions of variable remuneration and the minimum and maximum amounts of total variable remuneration for each individual member of the Board of Managing Directors.

Unlike the model table of the German Corporate Governance Code for benefits granted, the variable remuneration granted is not shown as the target value, i.e. the value if target achievement is 100%, or a comparable figure in a medium probability scenario. Instead, the total goal achievement amounts set by the Supervisory Board are shown for each member of the Board of Managing Directors. The table takes into account the actual target achievement of the members of the Board of Managing Directors and is therefore more meaningful in respect of the variable remuneration for the past financial year than if a hypothetical target achievement of 100% were shown.

Of the total goal achievement amount and the minimum and maximum values shown, 40% relate to short-term variable remuneration (STI). Of the total goal achievement amount and the minimum and maximum values shown, 60% relate to long-term variable remuneration (LTI). In each case, half of the remuneration components is share-based. The comparison figures for 2016 have been adjusted to this method to allow comparability with the data for 2017.

At its meeting on 7 February 2018 the Supervisory Board set the total goal achievement amounts for variable remuneration of the individual members of the Board of Managing Directors for 2017. The total goal achievement amount is not necessarily the same as any amount subsequently paid out. Firstly, the Supervisory Board may reduce the portion relating to the LTI at the retrospective performance evaluation if hindsight indicates that this was not originally calibrated correctly. Secondly, half of the variable remuneration is share-based. Any changes in the Commerzbank share price compared to the conversion price therefore result in changes in the amounts paid out.

Benefits		Fixed remuneration		Variable remuneration							Benefited total remuneration ²
		Basic salary	Accesso-ry con-sidera-tions ¹	Short term		Long term		Total goal achievement amount	min	max ³	
€1,000	STI in cash			STI in virtual shares	LTI in cash	LTI in virtual shares					
Martin Zielke	2017	1,313	129	287	287	430	430	1,433	0	2,443	2,875
	2016 ⁴	1,125	118	188	188	282	282	939	0	2,130	2,182
Martin Blessing	2017	–	–	–	–	–	–	–	–	–	–
	2016 ⁵	438	101	74	74	111	111	369	0	816	908
Frank Annuscheit	2017	750	92	158	158	237	237	790	0	1,500	1,632
	2016	750	124	124	124	186	186	620	0	1,500	1,494
Markus Beumer	2017	–	–	–	–	–	–	–	–	–	–
	2016 ⁶	625	69	75	75	113	113	375	0	1,250	1,069
Dr. Marcus Chromik	2017	750	71	186	186	279	279	930	0	1,500	1,751
	2016	750	84	118	118	177	177	590	0	1,500	1,424
Stephan Engels	2017	750	122	170	170	255	255	850	0	1,500	1,722
	2016	750	114	126	126	188	188	628	0	1,500	1,492
Michael Mandel	2017	750	102	170	170	255	255	850	0	1,500	1,702
	2016 ⁷	456	58	76	76	114	114	380	0	729	894
Dr. Bettina Orlopp	2017 ⁸	125	20	30	30	44	44	148	0	250	293
	2016	–	–	–	–	–	–	–	–	–	–
Michael Reuther	2017	750	130	128	128	192	192	640	0	1,500	1,520
	2016	750	125	102	102	153	153	510	0	1,500	1,385
Total	2017	5,188	666	1,129	1,129	1,692	1,692	5,641	0	10,193	11,495
	2016	5,644	793	883	883	1,324	1,324	4,411	0	10,925	10,848

¹ Non-monetary benefits granted, tax due on non-monetary benefits and employer contributions to the BVV occupational retirement fund are shown under company benefits.

² Total remuneration does not include pension expense. This is shown in the section on pension provision.

³ Maximum amount in the relevant year, i.e. excluding any rise in the share price for share-based remuneration.

⁴ Martin Zielke was appointed as Chairman of the Board of Managing Directors from 1 May 2016.

⁵ Martin Blessing's term of office as Chairman and member of the Board of Managing Directors ended on 30 April 2016.

⁶ Markus Beumer's term of office as a member of the Board of Managing Directors ended on 31 October 2016.

⁷ Michael Mandel was appointed as a member of the Board of Managing Directors from 23 May 2016.

⁸ Dr. Bettina Orlopp was appointed as a member of the Board of Managing Directors from 1 November 2017.

Details of remuneration of the Board of Managing Directors pursuant to German Reporting Standard no. 17 (DRS 17)

The remuneration of the Board of Managing Directors is shown below in accordance with the rules of DRS 17. The amounts shown differ from those reported above based on the German Corporate Governance Code. This is because reporting under DRS 17 involves special rules. The main differences that lead to different figures are:

- Under DRS 17 the LTI components of the current remuneration system only have to be stated after the retrospective performance assessment has been completed and the five-year retention period has expired. They are therefore not included in the DRS 17 table, unlike the benefits table based on the rules of the German Corporate Governance Code.
- The value of the share-based STI components has to be shown in the DRS 17 table using the share price on the day the Supervisory Board set the total goal achievement amounts. Therefore, the performance of the Commerzbank share from the start of the year to the day the amount was set is included in the value shown. In the benefits table based on the German Corporate Governance Code, however, these components are shown at 20% of the total goal achievement amount. This is the value before conversion into a number of virtual shares and so does not include share price performance, so the figure is generally different.
- Total remuneration under DRS 17 also includes the non-share-based LTI cash component of the remuneration system in place prior to 31 December 2014 for which all necessary conditions were met in the year under review. Total remuneration for 2017 therefore also includes the LTI-EVA cash components from financial year 2014. This is not shown in the benefits table based on the German Corporate Governance Code, as it was not granted in 2017.

Total remuneration under DRS 17 cannot therefore be compared with the remuneration granted shown in the table based on the German Corporate Governance Code. The disclosure does not reflect variable remuneration set by the Supervisory Board for the

year under review, nor is it an amount paid out. Disclosure is however required for accounting reasons.

Under DRS 17, payments only have to be disclosed if they have been granted on a legally binding basis. For both the cash components and the share-based components of the LTI under the current remuneration system this only takes place once the retrospective performance evaluation has been carried out and the five-year retention period has expired. The retrospective performance evaluation for the LTI in respect of 2017 will thus not be carried out by the Supervisory Board until the end of 2022. The cash components and share-based components of the LTI under the current remuneration system are therefore not included in the table.

However, for the purposes of DRS 17 the grant of the STI components takes place when they are determined by the Supervisory Board after the end of the financial year in question. The cash component of the STI is shown at 20% of the total goal achievement amount. This corresponds to the payout sum. The share-based STI component is linked to the performance of the Commerzbank share. Under DRS 17, share-based payments have to be disclosed at the time the grant becomes legally binding, i.e. when they are determined by the Supervisory Board. As payout of the share-based STI components only takes place after the 12-month waiting period has expired and is dependent on the performance of the Commerzbank share, the table shows only theoretical values for these components, not the sums to be paid out. The payout sums are calculated by multiplying the number of virtual shares shown in the STI by the conversion price at the end of the waiting period.

In addition, the table shows the non-share-based cash components of the 2014 LTI under the remuneration system in place prior to 31 December 2014, as for these components all the conditions required under DRS 17 were only met once 31 December 2017 had passed. In line with the requirements of DRS 17, the share-based components of the 2014 LTI were disclosed in the Remuneration Report for 2014. Therefore, they do not have to be reported again here.

The current remuneration system does not involve actually awarding any shares; instead a cash payment is made on the basis of virtual shares, i.e. based on Commerzbank's share price performance.

€1,000		Fixed components		Performance-related components				Total remuneration under DRS 17 ⁶
		Basic salary	Accessory considerations ²	with short term incentive			with short term incentive ¹	
				STI in cash ³	STI in virtual shares ⁴		LTI 2014 (prior year 2013) in cash ⁵	
						Number of virtual shares in units		
Martin Zielke	2017 ⁷	1,313	129	287	299	23,400	78	2,106
	2016	1,125	118	188	208	26,831	73	1,712
Martin Blessing	2017 ⁸	–	–	–	–	–	136	136
	2016	438	101	74	82	10,548	0	695
Frank Annuscheit	2017	750	92	158	165	12,898	80	1,245
	2016	750	124	124	137	17,715	70	1,205
Markus Beumer	2017 ⁹	–	–	–	–	–	74	74
	2016	625	69	75	83	10,715	64	916
Dr. Marcus Chromik	2017 ¹⁰	750	71	186	194	15,184	–	1,201
	2016	750	84	118	130	16,858	–	1,082
Stephan Engels	2017	750	122	170	177	13,878	74	1,293
	2016	750	114	126	139	17,929	64	1,193
Michael Mandel	2017 ¹¹	750	102	170	177	13,878	–	1,199
	2016	456	58	76	84	10,844	–	674
Dr. Bettina Orlopp	2017 ¹²	125	20	30	31	2,422	–	206
	2016	–	–	–	–	–	–	–
Michael Reuther	2017	750	130	128	133	10,449	76	1,217
	2016	750	125	102	113	14,572	70	1,160
Total	2017	5,188	666	1,129	1,176	92,109	518	8,677
	2016¹³	5,644	793	883	976	126,012	341	8,637

¹ The performance-related components with long-term incentive effect are only granted once the Supervisory Board has completed the retrospective performance evaluation after the end of a five-year retention period. For 2017, that will mean in 2023.

² The item "Company benefits" includes non-monetary benefits granted in financial year 2017, tax due on non-monetary benefits and employer contributions to the BVV occupational retirement fund.

³ Payable in 2018 following determination of the total goal achievement amount for 2017.

⁴ Payable one year after payment of the STI in cash. The amounts shown represent the values at the time that the variable remuneration was determined in February 2018. The payout is dependent on the future performance of the Commerzbank share price. The number of virtual shares is calculated using the proportion of the total goal achievement amount and the average Commerzbank share price during November and December 2017.

⁵ Under DRS 17, the LTI-EVA cash component still due for 2014 after the end of the four-year period from 2014 to 2017 and the approval of the annual financial statements for 2017 have to be reported. The cash element of the 2014 LTI share components and the share elements of both of these LTI components were already disclosed in the Annual Report 2014 and, therefore, do not need to be reported again under DRS 17.

Martin Blessing, former Chairman of the Board of Managing Directors, waived his entire entitlement to variable remuneration for financial years 2012 and 2013.

⁶ The amounts disclosed as total remuneration in accordance with DRS 17 for financial year 2017 include only those components in respect of which the members of the Board of Managing Directors already have a legally binding entitlement. As such, the amounts disclosed as total remuneration in accordance with DRS 17 do not include the LTI components for financial year 2017, as there is no such entitlement until after the retrospective performance evaluation and the five-year retention period.

⁷ Martin Zielke was appointed as Chairman of the Board of Managing Directors from 1 May 2016.

⁸ Martin Blessing's term of office as Chairman and member of the Board of Managing Directors ended on 30 April 2016.

⁹ Markus Beumer's term of office as a member of the Board of Managing Directors ended on 31 October 2016.

¹⁰ Dr. Markus Chromik was appointed as a member of the Board of Managing Directors from 1 January 2016.

¹¹ Michael Mandel was appointed as a member of the Board of Managing Directors from 23 May 2016.

¹² Dr. Bettina Orlopp was appointed as a member of the Board of Managing Directors from 1 November 2017.

¹³ The total amounts for the 2013 LTI and total remuneration in 2016 are lower than reported in the 2016 Remuneration Report. This is because the 2013 LTI for Dr. Stefan Schmittmann of €67 thousand is no longer included in the totals for 2016, as his term of office ended on 31 December 2015.

Further mandatory disclosures in accordance with IFRS 2

In light of the three-year period that underlies the current remuneration system and is used to calculate target achievement, pro-rated expenses for share-based remuneration in future financial years were disclosed in the last financial year in compliance with IFRS 2. The expenses disclosed below for 2017 therefore do not reflect either the amounts to be disclosed under DRS 17 or actual expectations or payouts.

The share-based remuneration recorded as expenses under IFRS 2 for financial year 2017 totalled €3,503 thousand, of which €856 thousand was for Martin Zielke, €601 thousand for Dr. Marcus Chromik, €577 thousand for Michael Mandel, €485 thousand for Stephan Engels, €455 thousand for Frank Annuscheit, €370 thousand for Michael Reuther and €159 thousand for Dr. Bettina Orlopp.

In 2016, the share-based remuneration recorded as expenses under IFRS 2 totalled €2,320 thousand, of which €625 thousand was for Martin Zielke, €538 thousand for Dr. Marcus Chromik, €408 thousand for Michael Mandel, €331 thousand for Stephan Engels, €327 thousand for Frank Annuscheit, €230 thousand for Michael Reuther as well as €77 thousand for Martin Blessing and €62 thousand for Markus Beumer (including adjustments for 2015 as a result of their departure in 2016).

Loans to members of the Board of Managing Directors

Members of the Board of Managing Directors have been granted loans with terms ranging from on demand up to a due date of 2051 and at interest rates ranging between 0.9% and 2.8% and, in certain cases, up to 11.9% on amounts overdrawn. Loans are secured on normal market terms, if necessary through land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Board of Managing Directors was €3,129 thousand; in the previous year, the figure was €5,001 thousand. In 2017, members of the Board of Managing Directors repaid €153 thousand. With the exception of rental guarantees, Commerzbank Group companies did not enter into any contingent liabilities in favour of members of the Board of Managing Directors in the year under review.

Supervisory Board

Principles of the remuneration system and remuneration for financial year 2017

The remuneration of the Supervisory Board is regulated in Art. 15 of the Articles of Association; the current version was approved by the AGM on 20 April 2016. These provisions applied for the first time with effect from 1 January 2016. Under the new remuneration system, members of the Supervisory Board receive basic remuneration of €80 thousand for each financial year. The Chairman receives triple and the Deputy Chairman double this amount.

Members also receive an additional €30 thousand annually for sitting on either the Audit Committee or the Risk Committee. Members also receive an additional €20 thousand annually for sitting on any other committee of the Supervisory Board that meets at least once in the calendar year. The committee chairman receives double these amounts. Additional remuneration is paid for a maximum of three committee appointments, taking the figures for the three highest paid positions. Members of the Supervisory Board who only belonged to the Board or one of its committees for part of a financial year receive remuneration for that year reduced pro rata temporis. In addition, each member of the Supervisory Board receives an attendance fee of €1.5 thousand for each meeting or conference call of the Supervisory Board or one of its committees. Where several meetings or conference calls take place on a single day, only one attendance fee is paid. The basic remuneration, remuneration for serving on committees and attendance fees are payable at the end of the financial year.

Commerzbank Aktiengesellschaft reimburses any expenses incurred by members of the Supervisory Board in the performance of their duties and any VAT due on remuneration or expenses. The Chairman of the Supervisory Board is provided with appropriate staffing and material support and, in particular, is reimbursed for travel costs incurred as part of the representative duties arising from his position and requisite security measures.

Members of the Supervisory Board thus received total net remuneration for financial year 2017 of €2,936.3 thousand (previous year: €2,944.5 thousand). Of this figure, the basic remuneration amounted to €1,839.8 thousand (previous year: €1,840.0 thousand) and remuneration for committee memberships to €765.0 thousand (previous year: €716.0 thousand). Attendance fees were €331.5 thousand (previous year: €388.5 thousand).

The remuneration is divided between the individual members of the Supervisory Board as follows:

€1,000		Basic remuneration	Remuneration for serving on committees	Attendance fee	Total
Klaus-Peter Müller	2017	240.0	120.0	19.5	379.5
	2016	240.0	125.9	24.0	389.9
Uwe Tschäge	2017	160.0	60.0	15.0	235.0
	2016	160.0	60.0	22.5	242.5
Hans-Hermann Altenschmidt	2017	80.0	70.0	22.5	172.5
	2016	80.0	70.0	30.0	180.0
Heike Anscheit (since 1 January 2017)	2017	80.0	0.0	12.0	92.0
	2016	–	–	–	–
Gunnar de Buhr	2017	80.0	49.9	21.0	150.9
	2016	80.0	50.0	19.5	149.5
Stefan Burghardt	2017	80.0	46.8	18.0	144.8
	2016	80.0	20.0	16.5	116.5
Sabine Ursula Dietrich	2017	80.0	20.0	13.5	113.5
	2016	80.0	20.0	16.5	116.5
Karl-Heinz Flöther	2017	80.0	30.0	19.5	129.5
	2016	80.0	30.0	24.0	134.0
Dr. Tobias Guldemann (since 3 May 2017)	2017	52.7	15.8	10.5	79.0
	2016	–	–	–	–
Stefan Jennes (since 1 February 2017)	2017	73.3	0.0	12.0	85.3
	2016	–	–	–	–
Dr. Markus Kerber	2017	80.0	70.0	21.0	171.0
	2016	80.0	70.0	16.5	166.5
Alexandra Krieger	2017	80.0	0.0	12.0	92.0
	2016	80.0	0.0	16.5	96.5
Oliver Leiberich	2017	80.0	0.0	12.0	92.0
	2016	80.0	0.0	16.5	96.5
Dr. Stefan Lippe	2017	80.0	30.0	13.5	123.5
	2016	80.0	30.0	19.5	129.5
Beate Mensch	2017	80.0	0.0	12.0	92.0
	2016	80.0	0.0	13.5	93.5
Anja Mikus	2017	80.0	50.0	22.5	152.5
	2016	80.0	24.8	16.5	121.3
Dr. Roger Müller (until 3 May 2017)	2017	27.1	0.0	3.0	30.1
	2016	80.0	0.0	15.0	95.0
Dr. Helmut Perlet	2017	80.0	90.0	21.0	191.0
	2016	80.0	90.0	24.0	194.0
Barbara Priester (until 31 December 2016)	2017	–	–	–	–
	2016	80.0	0.0	15.0	95.0
Mark Roach	2017	80.0	0.0	10.5	90.5
	2016	80.0	0.0	15.0	95.0
Margit Schoffer (until 31 January 2017)	2017	6.7	2.5	1.5	10.7
	2016	80.0	30.0	24.0	134.0
Nicholas Teller	2017	80.0	80.0	19.5	179.5
	2016	80.0	65.3	21.0	166.3
Dr. Gertrude Tumpel-Gugerell	2017	80.0	30.0	19.5	129.5
	2016	80.0	30.0	22.5	132.5
Total	2017	1,839.8	765.0	331.5	2,936.3
	2016	1,840.0	716.0	388.5	2,944.5

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40 Details pursuant to Art. 315 HGB

44 Non-Financial Report

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2017. Accordingly, no additional remuneration was paid.

Loans to members of the Supervisory Board

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date of 2043 and at interest rates ranging between 1.0% and 5.1%, and on amounts overdrawn in certain cases up to 11.4%. Loans are secured on normal market terms, if necessary through land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Supervisory Board was €3,560 thousand; in the previous year, the figure was €2,713 thousand. In 2017, members of the Supervisory Board repaid €254 thousand. Commerzbank Group companies did not enter into any contingent liabilities in favour of members of the Supervisory Board in the year under review.

Other details

D&O liability insurance

There is a Directors and Officers (D&O) liability insurance policy for members of the Board of Managing Directors and the Supervisory Board. The excess for members of the Supervisory Board and the Board of Managing Directors is set at 10% of the claim up to a maximum of 150% of the fixed annual remuneration for all insurance claims made within a single year.

Purchase and sale of the Company's shares

Art. 19 of Regulation (EU) No. 596/2014 on market abuse requires disclosure and notification of transactions by managers of listed companies and persons closely associated with them. Own transactions by such persons in shares or bonds issued by Commerzbank Aktiengesellschaft or in derivatives or other financial instruments based thereon must be disclosed if they exceed an aggregate volume of €5 thousand within a calendar year. This duty of disclosure applies to members of the Board of Managing Directors and the Supervisory Board.

The transactions reported to Commerzbank Aktiengesellschaft in 2017 are listed below. In each case these involve purchases of shares of Commerzbank Aktiengesellschaft:

Date	Disclosing party	Relation	Participant	Purchase/ Sale	Amount	Price €	Transaction volume €
3.4.2017	Martin Zielke		Member of BMD	Purchase	2,150	8.5280	18,335.20
3.4.2017	Frank Annuscheit		Member of BMD	Purchase	2,200	8.5200	18,744.00
3.4.2017	Stephan Engels		Member of BMD	Purchase	1,900	8.5012	16,152.27
3.4.2017	Michael Reuther		Member of BMD	Purchase	2,000	8.5227	17,045.40